BANKS ON SOCIAL NETWORKS - EXAMPLE OF THE BANKING SECTOR IN SERBIA

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Abstract: Social media are the means of interactions among people in which they create, share, and exchange information and ideas in virtual communities and networks. Banks should leverage social media as a two-way communications vehicle for both listening to the audience and gaining insights, with the goal of providing customers with targeted and differentiating solutions that solve their financial needs. Communication with customers through social networks is of great importance for the bank, and that kind of communication is paid more and more attention, especially in today’s economic conditions, when competition in the banking market is rough, and when banks are struggling to get trust and attention from every client. The objects of the research is the presence of banks within the banking sector in Serbia, on social networks in Serbia. The problem that is discussed in this paper is how the presence-absence of banks on social networks influences the modern banking business. It is expected that the results of the research indicate the presence of a joint impact on the social networks and successful modern banking business, and the impact of social networks on the positioning of banks in the market.

Keywords: social networks; bank; digitalization; client; business.

INTRODUCTION

After the advent of the internet, communication methods have sharply changed and interactivity become more important for customers. Especially customer activities such as information search for company or product details, using online services such as banking, online purchase or engaging in social networks in online communities are continue to rise.

Today there are many web sites of different social networks, with different technological capabilities, but what they have in common is the ability to support a wide range of interests of their users. While their technological characteristics are consistent, the cultural influences they have are quite different. Many web sites allow the user to connect with others based on common interests, social attitudes or some other activity.

Social networks represent specific interpretations of virtual communities that emerge among people who have a similar style of life, interest and experience. Since consumer-generated content (UCG) is shaped according to their needs, members of these communities do not only share information and experience but they already use the interactive capacity of the community to build relationships. The functioning of social networks is based on the capabilities of new technologies with

References

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simple and quick message exchange between people (Djukic, 2011). The fact is that social networks have, over time, become a global phenomenon and this is something that can not be denied through their history. Their influence has grown more and it can be said that the milestone was in 2004 when Mark Zuckerberg founded the social network Facebook. Twitter was launched in 2006 and has since become the most popular micro blogging platform.

LinkedIn is a business social network that connects employers and people looking for work. This network was created with the aim of effectively presenting the professional capabilities of its members, linking and speeding up the integration of employers with job hunters (Jelic, 2017). It was founded by Reid Hoffman in 2002.

However, the tools and strategies for communicating with customers have changed significantly with the emergence of the phenomenon known as social media, also referred to as consumer-generated media (Mangold, G.W., Faulds, J.D., 2009). Social networks are becoming more and more important nowadays. Apart from regular users of the Internet, companies have started to use them in their business. Their potential is that a great number of people, future clients of big companies, use them on a daily basis (Maresova, Klimova, Tucek, 2015).

Following the 2008 global economic downturn, the financial services industry has been awash in change, remaking fundamental operating assumptions and business models, and working overtime to restore credibility with commercial customers and consumers. Although such efforts have been somewhat successful, more turbulence is in the offing (Digital marketing in banking: evolution and revolution, 2014). The role and importance of social networks in the banking business can no longer be ignored. Social networks are the new rules of communication, and banks need to adapt those new rules. It is necessary to understand the principle of functioning of social networks, in order to efficiently use all of their benefits in a way that best suits a particular bank.

Banks should leverage social media as a two-way communications vehicle for both listening to the audience and gaining insights, with the goal of providing customers with targeted and differentiating solutions that solve their financial needs (Digital marketing in banking: evolution and revolution, 2014). Recent research reveals that financial services firms’ use of social media marketing is up 31% year-over-year, a significant increase over past years (Rinaldi, 2015). Increasingly, bank marketers who engage with customers on the most popular social media channels and maximize the effectiveness of each platform will realize a brand loyalty advantage over competitors that don’t. “Successful banks are not pushing customers out of the branch, but rather providing tools that make it easier to conduct their banking business when and where it is convenient for them.”, “Customers are quickly adopting mobile banking, making it a critical service channel for banks, not just a ‘nice-to-have’ option.” It was said by Jim Miller, senior director of banking at J.D. Power and Associates (“Customer Satisfaction with Retail Banks Improves Significantly”, 2013).

REVIEW OF RELEVANT LITERATURE
Mayfield (2007) defines social media as: “to be a group of new kinds of online media, which share most or all of the following characteristics: participation, openness, conversation, community, and connectedness.

A good way to think about Social Media is that all of this is actually just about being human beings sharing ideas, cooperating and collaborating to create, art, thinking and commerce, vigorous debate and discourse, finding people who might be good friends, allies and lovers”.

Ahlgvist, Bäck, Halonen and Heinonen (2008) define social media as the means of interactions among people in which they create, share, and exchange information and ideas in virtual communities and networks.

Smith, Barash, Getoor and Lauw (2008) suggest a sociological change initiated by technological change: “users are shifting from just consuming information published by professional editors to contributing blog posts and twitter messages, updating their profiles on Facebook and MySpace, asking and answering questions on Yahoo! Answers. From a sociological perspective, social media can be described as ‘collective goods produced through a computer mediated collective action’”.

Peter Aceto (2010) mentioned that social media is nothing new; it is a dialogue and a form of engagement. From his perspective it is “a community of individuals who are interested in a common cause of removing barriers and adding value.”

When talking about the characteristics of social networks, people should think about participation, transparency, focus on communities, large customer opportunities, conversations and global connectivity (Torres, 2008):

1) Participation or the participation in social networks has millions of daily users. Social
networks are very complex from the technological aspect, yet very simple and designed to be universally applicable from the user aspect.

2) Social networks are very transparent, their entire content is public and accessible to all users. Brands, individuals and companies are no longer untouchable, but available for communication and monitoring of all news related to them.

3) The base of social networks is creating specific groups, and targeting the user groups with some common interest. These groups via social networks are easy to create, and communication between group members is easier than ever. People who create, maintain and manage content groups are administrators. In addition to creating the content of the group, they animate the members in the group and filter content that is inappropriate.

4) User Options, in this virtual world, are almost limitless. Users can respond to the content or express their opinion and comment, while being protected from spam or unwanted messages and comments. User reactions are manifested in the form of various polls, evaluating and expressing their views.

5) Communication is very developed among the users, and it is therefore an extremely important feature of social networks. In addition to the quality of communication, it is possible to easily share content, so content can spread very quickly among users. Conversation via messages is the most common on social networks. These messages can be public, visible to all participants, or private, closed, invisible for participants who are not actors of communication. Opportunity to comment on all content is an important aspect because it encourages quality conversation.

6) One of the main advantages of social networking is the content that can be seen from a large number of users in a very short time. All this is done by branching among users and through the use of different media channels. Linking can occur in two ways, by simply linking to other sites, or sharing among other sites. This creates global connections among users around the world in a very fast and efficient way. Any respectable business in today's world cannot be planned without the use of social networks as a promotional and marketing tool. This practice is slowly becoming the rule in our environment as well. It is therefore necessary to adequately perceive what are the advantages and disadvantages when using social networks.

Throughout history, the banking industry has always been focused on the needs of its clients, and the wishes and needs of today's customers are different from those of ten years ago.

Changes in customer expectations have occurred since the social networks were created. We are witnessing the fact that with the advent of social networking platforms like Facebook and Twitter, a huge number of people in the world use these networks. This trend has led clients to expect that their banks will provide services through these platforms.

If banks want to continue their business by focusing on customer needs, they need to find ways to use this popular and fast-growing channel (Croatian Academic and Research Network, 2009). The big crisis in 2008 pointed to a number of problems in banking operations, which spilled onto the surface.

It was crucial that at that point in time, banks develop an adequate crisis strategy and consider new tactics for the global challenge they faced. The crisis also affected the decline in confidence in banks. To survive in such conditions, banks had to find cheap solutions (Kirtis, Karahan, 2011).

The first step taken by the banks was to reduce the costs of marketing. Considering the importance of marketing activities, it was necessary to think of the best solution, which is turning to social networks.

Carrying out marketing activities through social networks does not cost the bank much and therefore it is rated as the most suitable instrument. Research has shown that as early as 2008, more than 45% of consumers used social networks to get information about the product or brand compared to those who found such information on the bank's website.

The power of social media is that it connects a bank directly with the voice of the customer, in new and interesting ways. In the past, transactional processing systems, data warehousing and business analytics software had provided banks with a view of customer activity – but only after the event, i.e once a transaction had gone through the systems or financial service business process had completed (Disruptive ICT: Cloud and Social Media Impact In UAE Banking, 2012).
With the flow of time banks increasingly integrate network distribution channels into their business. As the number and type of channels increases, the knowledge of in which way clients like to communicate with their bank is of great importance. Only with a complete understanding of the habits and preferences of individual clients can the bank consistently respond to clients’ requests. Engagement of clients in the banking sector is necessary. For this reason, digital channels become largely channels through which the bank reaches the client. Thus, they become a useful tool for both clients and potential clients in contact with their bank, replacing traditional distribution channels. Digital channels allow customers to educate themselves about products and services of the bank by visiting Facebook, Twitter or some other social networking platform, and ultimately deciding to buy them (Hopek, 2014).

Table 1. The top banks using social media ranked by their overall Power 100 score for the first quarter of 2016.

<table>
<thead>
<tr>
<th>#</th>
<th>Bank</th>
<th>Area</th>
<th>Facebook Likes</th>
<th>Twitter Followers</th>
<th>YouTube Views</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State Bank of India</td>
<td>IN</td>
<td>5,093,652</td>
<td>544,136</td>
<td>7,916,826</td>
</tr>
<tr>
<td>2</td>
<td>Capital One</td>
<td>USA</td>
<td>4,003,738</td>
<td>140,000</td>
<td>30,587,896</td>
</tr>
<tr>
<td>3</td>
<td>BoA</td>
<td>USA</td>
<td>2,320,594</td>
<td>436,136</td>
<td>25,992,997</td>
</tr>
<tr>
<td>4</td>
<td>Wells Fargo</td>
<td>USA</td>
<td>892,051</td>
<td>226,428</td>
<td>38,018,406</td>
</tr>
<tr>
<td>5</td>
<td>Citi</td>
<td>USA</td>
<td>1,074,696</td>
<td>827,491</td>
<td>23,138,257</td>
</tr>
<tr>
<td>6</td>
<td>ICICI</td>
<td>NIG</td>
<td>4,714,742</td>
<td>51,317</td>
<td>8,229,863</td>
</tr>
<tr>
<td>7</td>
<td>GT Bank</td>
<td>USA</td>
<td>3,647,615</td>
<td>533,059</td>
<td>332,907</td>
</tr>
<tr>
<td>8</td>
<td>TD Bank</td>
<td>CAN</td>
<td>667,678</td>
<td>93,200</td>
<td>39,226,976</td>
</tr>
<tr>
<td>9</td>
<td>Chase</td>
<td>USA</td>
<td>3,866,441</td>
<td>313,821</td>
<td>3,347,035</td>
</tr>
<tr>
<td>10</td>
<td>Yes</td>
<td>IN</td>
<td>2,701,935</td>
<td>861,177</td>
<td>92,205</td>
</tr>
<tr>
<td>11</td>
<td>Axis</td>
<td>IN</td>
<td>3,188,080</td>
<td>101,102</td>
<td>7,101,799</td>
</tr>
<tr>
<td>12</td>
<td>HDFC</td>
<td>IN</td>
<td>2,305,685</td>
<td>73,312</td>
<td>6,637,035</td>
</tr>
<tr>
<td>13</td>
<td>Maybank</td>
<td>MAL</td>
<td>1,299,021</td>
<td>111,489</td>
<td>13,721,858</td>
</tr>
<tr>
<td>14</td>
<td>RBC</td>
<td>CAN</td>
<td>347,141</td>
<td>78,718</td>
<td>18,929,991</td>
</tr>
<tr>
<td>15</td>
<td>Goldman Sachs</td>
<td>USA</td>
<td>30,369</td>
<td>491,212</td>
<td>5,501,870</td>
</tr>
<tr>
<td>16</td>
<td>Kotak Mahindra</td>
<td>IN</td>
<td>638,855</td>
<td>113,783</td>
<td>14,397,453</td>
</tr>
<tr>
<td>17</td>
<td>Emirates NBD</td>
<td>UAE</td>
<td>351,494</td>
<td>68,196</td>
<td>15,645,238</td>
</tr>
<tr>
<td>18</td>
<td>Natwest</td>
<td>UK</td>
<td>323,361</td>
<td>66,423</td>
<td>13,513,872</td>
</tr>
<tr>
<td>19</td>
<td>Credit Suisse</td>
<td>CH</td>
<td>82,555</td>
<td>202,385</td>
<td>13,193,430</td>
</tr>
<tr>
<td>20</td>
<td>Barclays</td>
<td>UK</td>
<td>567,442</td>
<td>162,075</td>
<td>10,387,670</td>
</tr>
<tr>
<td>21</td>
<td>CIMB</td>
<td>MAL</td>
<td>1,384,727</td>
<td>104,946</td>
<td>4,176,911</td>
</tr>
<tr>
<td>22</td>
<td>Santander (UK)</td>
<td>UK</td>
<td>247,973</td>
<td>36,490</td>
<td>14,274,646</td>
</tr>
<tr>
<td>23</td>
<td>Deutsche</td>
<td>DEU</td>
<td>97,647</td>
<td>467,248</td>
<td>4,013,355</td>
</tr>
<tr>
<td>24</td>
<td>CIBC</td>
<td>CAN</td>
<td>317,076</td>
<td>108,625</td>
<td>12,170,088</td>
</tr>
<tr>
<td>25</td>
<td>IDBI</td>
<td>IN</td>
<td>1,366,347</td>
<td>55,483</td>
<td>2,478</td>
</tr>
</tbody>
</table>

Bank clients were asked what they expect from banks on social networks. Respondents could choose 3 out of 9 ways in which they would like the bank to engage for them through social networks. They chose the following, in descending order (Leeflang, Verhoef, Dahlström, Freundt, 2014):

1. Customer service;
2. Reading comments from other clients;
3. Financial advice;
4. Submission of relevant offers (personalized offer);
5. The prize for a recommendation of the bank and its products and services;
6. Educational information on personal finances;
7. The possibility of reviewing, appealing and asking questions;
8. Accessing applications to improve personal financial situation.

The good sides of banks’ operations on social networks are really enormous, but it comes with a certain level of risk, which can negatively affect the reputation of the bank. Social networks have become a favorite channel of communication with banks, but when clients contact the bank via social networks, it is difficult to control the content which is public. Therefore, we can talk about three key risks that arise when banks operate on social networks, such as operational risk, strategic risk and reputational risk.

In order to avoid the emergence of risk on social networks, banks need to take preventive measures. It primarily refers to the comprehensive control and monitoring of social networks by applying the prescribed or proposed guidelines and rules, as well as the tools and applications whose installation prevents the publication of undesired content on social networks. In addition, it is necessary to ensure that all communication is stored, so as not to be, due to the large volume of the same, the clients remain unanswered. It is important to establish an appropriate governing structure, as well as to engage the right person responsible for the job. Key areas for risk management (Veenswyk, 2016):

1. Communication with users;
2. Responding to the question of the beneficiary;
3. Realization of sales;
4. Event management;
5. Monitoring of employees and clients on social networks;
6. Control of negative social communication;
7. Integration of social networks and CRM for process control;
8. Data privacy.

Social networks can influence in different ways in individual areas of the bank's business. For example, social networks influence (Hopek, 2014):

- Sales and marketing - new opportunities and ways to engage customers, social promotion, customer reviews reveal the need for banking products and awareness raising.
- Customer service - a new line of communication, engaging clients across multiple channels, listening to customer questions and complaints to prevent negative reactions.
- Products - A new insight into customer needs, tests that give feedback on a new product, user comments reveal dissatisfaction with the product.
- Counter / local branch office - an increasing influence of employees on the image of the bank, training of employees ensures a consistent service and conflicts are resolved.
- Legality, risk, compliance - careful planning, policy coherence and procedures with the bank's strategic goals and risk guidelines, privacy of data.
- Technology - support for existing infrastructure, integration between social networks and internal systems (CRM).
- Human resources - training of employees for work on social networks, engagement and retention of young talented employees.
- Communication - Transparent communication, emitting messages and initiating conversations.

The banks which do not use the social web might be missing their biggest opportunity to connect directly with customers before their competitors do. Social media marketing can not only increase the reach of a bank but also have a positive influence on how customers perceive the bank’s brand value. Customers do not use social media to buy products or services but to build relationships. In consequence, banks should focus on building a relationship based on mutual trust through real involvement in providing precious resources and information. This type of activities contribute to improving the perception of a brand by means of positive social marketing. The properly chosen strategy of using social media in banking requires understanding customers’ expectations (Kuchciak, 2013).

The shortcomings of the presence of banks on social networks are (www.automatedbuildings.com):
1. It requires time. Unlike classic advertising campaigns, marketing of products/services through social sites requires a lot of time. Social networks require interaction with users, so results are only achieved if banks dedicate a lot of time for them. There is absolutely no shortcut to conquering users on these sites.

2. Damage. The viral potential of these social sites means a very rapid spread of news about the company, whether it’s good or bad news. This is a good example when a new product is launched. But what happens if the news is bad or the service is bad? Then it becomes very difficult and costly to improve the image of the company. A small mistake, even a comment by an employee or administration, can lead to permanent damage to the brand.

3. It is difficult to reach the target audience. The fact that the target audience uses different social networks makes it very difficult to reach them. This requires the use of multiple accounts, each on another social site. Deciding the best option for doing business is usually not easy. Managing multiple accounts can be very complex but at the same time efficient and effective.

METHODOLOGY

Communication with customers through social networks is of great importance for the bank, and that kind of communication is paid more and more attention, especially in today’s economic conditions, when competition in the banking market is rough, and when banks are struggling to get trust and attention from every client. The social media revolution has already happened, transforming not only your customers’ daily behaviour but their expectations of you as their financial partner. In today’s social world, customers demand to be heard, understood and valued. If your bank wants to drive stronger, sustainable, profitable and mutually beneficial relationships in this new social reality, you must learn more about your customers – and listen when they speak (Deloitte, 2013). According to the website of the National Bank of Serbia, in Serbia currently operates 30 banks, each of which has a corporate website. Bank profiles on social networks have been found on the basis of links on official websites. In order to check what is the role and importance of social networks on the operations of the Serbian banking sector, a research has been conducted. The objects of the research are banks of the banking sector in Serbia, namely, the first ten banks, from the aspect of the size of the balance sheet assets. Their presence on social networks in Serbia was analyzed. The problem that is discussed in this paper is how the presence-absence of banks on social networks influences the modern banking business, and therefore the positioning of the bank in the market. Social networks are now the newest phenomenon on the Internet. Banks are aware that without the customers, they would not have anyone to provide their products and services to, so they are trying in different ways to get closer and capture clients. The aim is to attract many new customers, but even more difficult is the goal to keep existing customers and ensure their trust and satisfaction. In this segment communication is of great significance, because the bank’s business success and customer satisfaction will depend of its quality.

DATA AND EMPIRICAL ANALYSIS

The presence of banks on social networks in Serbia is becoming a reality in 2011, when the waves of the great world crisis were largest. Table 2 gives an overview of the presence of banks in Serbia on social networks in the period from 2011 to 2016, in parallel with changes in the total number of banks in the banking sector of Serbia.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of banks</th>
<th>Number of banks in Serbia on social networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>33</td>
<td>7</td>
</tr>
<tr>
<td>2012</td>
<td>33</td>
<td>7</td>
</tr>
<tr>
<td>2013</td>
<td>32</td>
<td>10</td>
</tr>
<tr>
<td>2014</td>
<td>29</td>
<td>22</td>
</tr>
<tr>
<td>2015</td>
<td>30</td>
<td>23</td>
</tr>
<tr>
<td>2016</td>
<td>30</td>
<td>23</td>
</tr>
</tbody>
</table>

Source: Web sites of banks from the banking sector of Serbia

Table No. 2 shows that in 2011 and 2012, only 7 banks out of 33 banks in Serbia had profiles on some of the social networks, and those are Aik Bank, Banca Intesa, Erste Bank, Commercial Bank, Hypo Alpe Adria Bank, Raiffeisen Bank and Societe Generale Bank. The following year,
2013 three banks joined social networks- OTP Bank, which has opened an account on Facebook and YouTube, the Postal Savings Bank, which opened the Facebook page and Twitter account, and Eurobank EFG, which has opened an account on Twitter and Facebook. In 2014 the number of banks on social networks has increased considerably compared to the previous year, ie. 22 banks have an account on more than one social network. Telenor bank as the first on-line bank in Serbia, has the biggest increase in numbers in 2015 and 2016 when it comes to Twitter followers (6336 followers), even though it is not amongst the top eight banks according to the criteria of balance sheet assets (Belcevic, 2016).

Table 3. The presence on social networks by the largest banks in Serbia
- January 2017

<table>
<thead>
<tr>
<th>Bank</th>
<th>Rank</th>
<th>Facebook</th>
<th>Twitter</th>
<th>LinkedIn</th>
<th>YouTube</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Followers</td>
<td>Twits</td>
<td>Followers</td>
<td>Followers</td>
</tr>
<tr>
<td>Intesa Bank</td>
<td>1</td>
<td>170098</td>
<td>4754</td>
<td>4236</td>
<td>5987</td>
</tr>
<tr>
<td>Commercial Bank</td>
<td>2</td>
<td>284924</td>
<td>3002</td>
<td>4036</td>
<td>3222</td>
</tr>
<tr>
<td>UniCredit Bank</td>
<td>3</td>
<td>1282</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Societe Generale Bank</td>
<td>4</td>
<td>21333</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Raiffeisen Bank</td>
<td>5</td>
<td>88754</td>
<td>825</td>
<td>369</td>
<td>1382</td>
</tr>
<tr>
<td>Eurobank</td>
<td>6</td>
<td>85269</td>
<td>1025</td>
<td>489</td>
<td>829</td>
</tr>
<tr>
<td>Alk Bank</td>
<td>7</td>
<td>7003</td>
<td>2365</td>
<td>1421</td>
<td>2545</td>
</tr>
<tr>
<td>Addiko bank</td>
<td>8</td>
<td>14789</td>
<td>732</td>
<td>1002</td>
<td>980</td>
</tr>
<tr>
<td>Postal Savings Bank</td>
<td>9</td>
<td>10001</td>
<td>807</td>
<td>358</td>
<td>485</td>
</tr>
<tr>
<td>Vojvodjanska Bank</td>
<td>10</td>
<td>29820</td>
<td>1002</td>
<td>2123</td>
<td>1236</td>
</tr>
</tbody>
</table>

Source: Web sites from the presented banks in Table 3.

Based on the data from the table, it can be concluded that all observed banks are present on one of the four existing social networks. Of the ten banks counted in the survey, seven of them use all four social networking platforms. When looking at the presence of users on social networks, the most popular social network is Facebook. Since these are four different social networks that use different indicators of popularity: number of likes, number of followers, titles and views, it is best to compare the popularity of the same network in observed banks.

Graph 2. The number of users who have liked the Facebook page of selected banks in conclusion with January 2017

Source: Data from Table 3.

The graph shows the number of users who have liked the Facebook page of the 10 largest banks in Serbia, from the aspect of the size of the balance sheet assets. It is interesting to conclude that all ten banks are present on Facebook. What is noteworthy on the Facebook pages of these banks is that they created a fan page rather than a Facebook group. It can be seen that among the users of Facebook in Serbia, the top two banks in Serbia are the most popular.

Graph 3. Number of followers on Twitter accounts of banks in Serbia in conclusion with January 2017

Source: Data from Table 3.
When observing the accounts on Twitter, it can be noticed that compared to Facebook, this social network has fewer followers. Also, only eight out of ten first-ranked banks are active on this social network.

The graph shows that the situation is quite similar to Facebook. The largest number of followers have Bank Intesa and Commercial Bank.

But also, the results of the survey show that in December, 2016, the most active bank on Twitter was Telenor Bank, with 6,336 followers, although it is only 24 in the ranking of banks from the aspect of the size of the balance sheet assets.

These facts indicate that between social networks, in this case Twitter, there is a correlation between the presence on the social network and the size of the balance sheet assets, but the presence on social networks alone is not enough for successful banking operations. Social networks are just one of the tools that banks need to use to improve their business.

**Graph 4.** Number of followers on LinkedIn accounts in Serbia in conclusion with January 2017

LinkedIn is a business social network. Benefits that this social network has are also forseen by banks in Serbia, so from the 10 banks involved in the survey, only Socite Generale Bank has no account on LinkedIn.

On the chart it is noticed that the largest number of followers on LinkedIn has UniCredit Bank, which has very few subscribers on Facebook, and on Twitter it does not even have an account.

After UniCredit Bank, Commercial Bank and Raiffeisen Bank are the most popular on LinkedIn.

**Graph 5.** The total number of views of videos on YouTube posted by the largest banks in Serbia in conclusion with January 2017

YouTube is a social network that allows banks to deliver low-cost promotional videos that can be looked at by a million users auditorium at any time. All the banks that are monitored have an official YouTube channel. The largest number of views on this social network has Eurobank while Banca Intesa comes in second.

**RESULTS AND DISCUSSION**

Digitalization of financial services and cyber security represents top evolutions that change the business model of the banks, determining financial, technical but also regulatory challenges. Social banking is no longer a concept, a matter of “if” but rather a reality, a matter of “when” adopting it, regardless the “adjustment” costs towards digital and social realm. Adjustments should not be considered as something wrong or painful, but rather a past practices catalyst and a creative opportunity for changing the approach. Most European leading banks are already responding to this trend, assembling their own unique social puzzle, embracing transparency and bilateral interaction through social media channels. (Costin, 2015) The results of the survey show that of the 10 largest banks in Serbia, according to the criteria of balance assets, 7 of them are present on all social networks, which shows that the banks saw great significance, as well as the opportunities that social networks provide for their business. The fact that the best banks in Serbia record the largest activities on social networks, supports the fact that social networks have a major impact on the improvement of banks' operations and are becoming one of the most important digital tools for modern banking operations. But the fact that the biggest growth of followers on Twitter was recorded by Telenor Bank in 2015 and 2016, speaks in favor of the fact that only the presence
on the social network is not enough to be successful, since the bank was not even close to the rank 10 most successful banks in the recorded years.

CONCLUDING REMARKS

As more and more customers rely on social media, banks can leverage it to gather customer feedback about banking products and services. Social media engagement also allows for crowd-sourcing of ideas, which can lead to customer-segmented tailoring of products and services that cater to customers’ varying needs. Based on customer behavior on social media, such as posts and likes, banks can use analytics to generate leads from this data, which can be used to perform next best analysis and develop next best actions (Social Banking: Leveraging Social Media to Enhance Customer Engagement, 2017). Social networks are becoming a reality for banks in Serbia, and the awareness of the necessity of their use is increasing and evolving every day. The banking market in Serbia is quite small for all banks to be successful and competitive on it. Survival in the banking world is no longer based on the size of banks, but on its ability to innovate. Banks have had an aversion to innovation that brings business to the Internet, but in time they have realized that this is not a passing phenomenon but a part of the business reality with even greater prospects for the future.

Social networks have emerged as a powerful marketing tool that banks can successfully use in their operation, if they are applied adequately. Implementing social networks can initiate powerful connections with customers; these tools also helped banks in service delivery, by having a positive influence throughout their customers which implied before that is mostly students, approaching in interactive communications, having more satisfaction customers in the end. Through the use of social media banks would easily reach the user-friendly interactive system, understanding customers’ special and unique needs in a way that clients themselves can adopt and understand well (Crowe, 2010).

The research revealed the importance of social networks for banking operations in Serbia, the mutual influence of the presence on social networks and successful business, as well as the impact of social networks on the positioning of banks. In some further research it would be interesting to see which is the most important social network for the banking sector in Serbia, in relation to his success in business and positioning in the banking sector in Serbia.

REFERENCES

Social media are the means of interactions among people in which they create, share, and exchange information and ideas in virtual communities and networks. Banks should leverage social media as a two-way communications vehicle for both the audience and gaining insights, with the goal of providing customers with targeted and differentiating solutions that solve their financial needs. Communication with customers through social networks is of great importance for the bank, and that kind of communication is paid more and more attention, especially in today's economic conditions, when competition in the banking market is rough, and when banks are struggling to get trust and attention from every client. As more and more customers rely on social media, banks can leverage it to gather customer feedback about banking products and services. Social media engagement also allows for crowd-sourcing of ideas, which can lead to customer-segmented tailoring of products and services that cater to customers’ varying needs. Based on customer behavior on social media, such as posts and likes, banks can use analytics to generate leads from this data, which can be used to perform next best analysis and develop next best actions. Social networks are becoming a reality for banks in Serbia, and the awareness of the necessity of their use is increasing and evolving every day. Survival in the banking world is no longer based on the size of banks, but on its ability to innovate. Social networks have emerged as a powerful marketing tool that banks can successfully use in their operation, if they are applied adequately. The research revealed the importance of social networks for banking operations in Serbia, the mutual influence of the presence on social networks and successful business, as well as the impact of social networks on the positioning of banks.